AMENDED IN ASSEMBLY JUNE 26, 2003 AMENDED IN SENATE MAY 7, 2003

SENATE BILL

No. 722

Introduced by Senator McPherson

February 21, 2003

An act to amend Section 35160.5 and 49558 of the Education Code, relating to education. An act to amend Sections 52052 and 52057 of, and to add Section 52051.3 to, the Education Code, relating to school performance.

LEGISLATIVE COUNSEL'S DIGEST

SB 722, as amended, McPherson. Education: administration School performance.

Existing law establishes the Public Schools Accountability Act of 1999 and requires the Superintendent of Public Instruction to develop an Academic Performance Index (API), which consists in part of the results of the tests administered pursuant to the Standardized Testing and Reporting (STAR) Program, to measure the performance of schools and to rank schools based on the value of the API. The API measures the performance of schools and the academic performance of pupils and consists of a variety of indicators.

This bill would require a school to demonstrate comparable improvement in academic achievement as measured by the API for all numerically significant pupil subgroups at the school, including ethnic subgroups, socioeconomically disadvantaged pupils, English language learners, and pupils with disabilities. The bill would specify that the test scores of a pupil subgroup may only be included in a school's API if the test scores of the pupils in the subgroup are valid test scores, as defined,

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and certain other requirements are met to ensure that the subgroup is a numerically significant subgroup as compared to a school's total pupil population.

Existing law requires the State Board of Education to establish a Governor's Performance Award Program to provide monetary and nonmonetary awards to schools that meet or exceed API performance growth targets and demonstrate comparable improvement in academic achievement by all numerically significant pupil subgroups at the school.

This bill would additionally provide that to be eligible for the Governor's Performance Award Program a school may be required to make adequate yearly progress as required by the federal No Child Left Behind Act of 2001.

(1) Existing law requires, as a condition for the receipt of school apportionments from the State School Fund, that the governing board of a school district adopt rules and regulations establishing a policy of open enrollment within the district for residents of the district. Existing law requires a school that receives requests for admission in excess of the capacity of the school to use a selection policy that ensures that selection of pupils to enroll in the school is made through a random, unbiased process, with certain exceptions.

This bill would require the policy to provide a priority for admission to the lowest performing children from low-income families who attend a school identified for school improvement pursuant to specified federal laws. By placing additional duties on the governing board of a school district, this bill would impose a state-mandated local program.

(2) Existing law requires that all applications and records kept by a public officer or agency in connection with the administration of free or reduced price meal programs be kept confidential, with certain exceptions.

This bill would permit a public officer or agency to authorize the use of those records for the purpose of determining those schools with a concentration of pupils who are eligible to participate in a state or federal education program based on family wealth or income.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide

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and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes no.

The people of the State of California do enact as follows:

SECTION 1. Section 35160.5 of the Education Code is 1

- 2 SECTION 1. Section 52051.3 is added to the Education Code, 3 to read:
- 52051.3. The State Board of Education, in consultation with 4 5 the Superintendent of Public Instruction, shall adopt regulations and policies necessary to implement the provisions of this chapter and the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seg.). 8
- 9 SEC. 2. Section 52052 of the Education Code is amended to 10 *read*:
- 52052. (a) (1) By July 1, 1999, the Superintendent of Public Instruction, with approval of the State Board of Education, shall 12 develop an Academic Performance Index (API), to measure the performance of schools, especially the academic performance of 14 pupils, and to.
 - (2) Schools shall demonstrate comparable improvement in academic achievement as measured by the API by all numerically significant-ethnic and socioeconomically disadvantaged pupil subgroups within schools.
- 20 (2) at the school, including:
- 21 (A) Ethnic subgroups.

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- 22 (B) Socioeconomically disadvantaged pupils.
- 23 (C) English language learners.
 - (D) Pupils with disabilities.
- 25 (3) (A) For purposes of this section, a numerically significant ethnic or socioeconomically disadvantaged pupil subgroup is a 26 subgroup that is one that meets both of the following criteria: 27
- (i) The subgroup consists of at least 50 pupils each of whom has 28 a valid test score. 29

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(ii) The subgroup constitutes at least 15 percent of a school's total pupil population and consists of at least 30 pupils of pupils who have valid test scores. An ethnic or socioeconomically disadvantaged subgroup of at least 100 pupils constitutes a numerically significant subgroup, even if the

- (B) If a subgroup does not constitute 15 percent of the total enrollment at a school school's total population of pupils with valid test scores, the subgroup may constitute a numerically significant pupil subgroup if it has at least 100 valid test scores. For schools whose API scores are
- (C) For a school with an API score that is based on test scores of no fewer than 11 and no more than 99 pupils with valid test scores, numerically significant subgroups shall be defined by the Superintendent of Public Instruction, with approval by the State Board of Education.

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- (D) A valid test score is a test score that the superintendent, with the approval of the State Board of Education, deems appropriate to incorporate into the API or other performance measure, consistent with the provisions of this chapter and the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).
- (4) The API shall consist of a variety of indicators currently reported to the State Department of Education department including, but not limited to, the results of the achievement test administered pursuant to Section 60640, attendance rates for pupils and certificated school personnel for in elementary schools, middle schools, and secondary schools, and the graduation rates for pupils in secondary schools.
- (A) The pupil data collected for the API that comes from the achievement test administered pursuant to Sections 60640 and 60644 and the high school exit examination administered pursuant to Section 60851, when fully implemented, shall be disaggregated by special education status, English language learners, socioeconomic status, gender and ethnic group. Only the test scores of pupils who were counted as part of a school district's enrollment in the October annual California Basic Educational Data System's data collection for the current fiscal year and were continuously enrolled during that year may be included in the test results reported in the API. Only the test scores of pupils who were

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counted as part of the enrollment in the annual California Basic Education Data System's data collection for the current fiscal year and who were continuously enrolled during that year may be included in the test result reports in the school's API. Results of the achievement test and other tests specified in subdivision (b) shall constitute at least 60 percent of the value of the index.

- (B) Before including high school graduation rates and attendance rates in the index, the Superintendent of Public Instruction shall determine the extent to which the data are currently reported to the state and the accuracy of the data.
- (C) If the Superintendent of Public Instruction determines that accurate data for these indicators is not available, the Superintendent of Public Instruction shall report to the Governor and the Legislature by September 1, 1999, and recommend necessary action to implement an accurate reporting system.
- (b) Pupil scores from the following tests, when available and when found to be valid and reliable for this purpose, shall be incorporated into the API:
- (1) The assessment of the applied academic skills matrix test developed pursuant to Section 60604.
- (2) The nationally normed test designated pursuant to Section 60642.
- (3) The standards-based achievement tests provided for in Section 60642.5.
 - (4) The high school exit examination.

(c) Based on the API, the Superintendent of Public Instruction shall develop, and the State Board of Education shall adopt, expected annual percentage growth targets for all schools based on their API baseline score from the previous year. Schools are expected to meet these growth targets through effective allocation of available resources. For schools below the statewide API performance target adopted by the State Board of Education pursuant to subdivision (d), the minimum annual percentage growth target shall be 5 percent of the difference between a school's actual API score and the statewide API performance target, or one API point, whichever is greater. Schools at or above the statewide API performance target shall have, as their growth target, maintenance of their API score above the statewide API performance target. However, the State Board of Education may set differential growth targets based on grade level of instruction

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and may set higher growth targets for the lowest performing schools because they have the greatest room for improvement. To meet its growth target, a school shall demonstrate that the annual growth in its API is equal to or more than its schoolwide annual percentage growth target and that all numerically significant ethnic and socioeconomically disadvantaged *pupil* subgroups, as defined in subdivision (a) of Section 52052, are making comparable improvement.

- (d) Upon adoption of state performance standards by the State Board of Education, the Superintendent of Public Instruction shall recommend, and the State Board of Education shall adopt, a statewide API performance target that includes consideration of performance standards and represents the proficiency level required to meet the state performance target. When the API is fully developed, schools must, at a minimum, meet their annual API growth targets to be eligible for the Governor's Performance Award Program as set forth in Section 52057. The State Board of Education may establish additional criteria that schools must meet to be eligible for the Governor's Performance Awards Program.
- (e) Beginning in June 2000, the API shall be used for both of the following:
- (1) Measuring the progress of schools selected for participation in the Immediate Intervention/Underperforming Schools Program pursuant to Section 52053.
- (2) Ranking all public schools in the state for the purpose of the High Achieving/Improving Schools Program pursuant to Section 52056.
- (f) (1) A comprehensive high school, middle school, or elementary school with 11 to 99 *pupils with* valid test scores of pupils who were enrolled in a school within the same school district in the prior fiscal year shall receive an API score with an asterisk that indicates less statistical certainty than API scores based on 100 or more test scores.
- (2) A school under the jurisdiction of a county board of education or a county superintendent of schools, a community day school, or an alternative school, including continuation high schools and opportunity schools, may receive an API score if the school has 11 or more valid test scores and the school chooses to receive an API score for at least three years.

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(2) A school that participates in the Immediate Intervention/Underperforming Schools Program described in Section 52053 shall *annually* receive an API score for the duration of its participation in that program, unless the Superintendent of Public Instruction determines that an API score would be an invalid measure of the school's performance for one or more of the following reasons:

(A) Irregularities in testing procedures occurred.

- (B) The data used to calculate the school's API score are not representative of the pupil population at the school.
- (C) Significant demographic changes in the school's pupil population render year-to-year comparisons of pupil performance invalid.
- (D) The Department of Education department discovers or receives information indicating that the integrity of the school's API score has been compromised.
- (E) Insufficient pupil participation in the assessments included in the API.
- (3) If the API of a school is invalidated pursuant to paragraph (2), the department may calculate an estimated API, consistent with regulations adopted by the State Board of Education.
- (4) If a school has less than 100 pupils with valid test scores, the calculation of the API or adequate yearly progress pursuant to the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) and federal regulations may be calculated from the aggregation of the school's test results with other schools in the same local educational agency, or over more than one annual administration of the tests administered pursuant to Sections 60640 and 60644 and the high school exit exam administered pursuant to Section 60851, consistent with regulations adopted by the State Board of Education.
- (g) Only schools with 100 or more test scores contributing to the API may be included in the API rankings.
- (h) By July 1, 2000, the Superintendent of Public Instruction, with the approval of the State Board of Education, shall develop an alternative accountability system for schools with fewer than 100 test scores contributing to the schools' API scores, and for schools under the jurisdiction of a county board of education or a county superintendent of schools, community day schools, and

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alternative schools serving high-risk pupils, including continuation high schools and opportunity schools.

SEC. 3. Section 52057 of the Education Code is amended to read:

52057. (a) The State Board of Education shall establish a Governor's Performance Award Program to provide monetary and 6 nonmonetary awards to schools that meet or exceed API performance growth targets established pursuant to Section 9 52052, and demonstrate comparable improvement in academic achievement by all numerically significant ethnic and 10 socioeconomically disadvantaged pupil subgroups within schools. To be eligible for the Governor's Performance Award Program, a 12 13 school may also be required to make adequate yearly progress, as 14 required by the federal No Child Left Behind Act (20 U.S.C. Sec. 6311(b)(2)(A)), and as defined by the regulations recommended by 15 the Superintendent of Public Instruction and adopted by the 16 department. Monetary awards shall be awarded only to schools 17 whose API scores meet or exceed their API growth target as 19 established pursuant to Section 52052 or increase by five points, 20 whichever is greater, and in which all numerically significant 21 subgroups' scores meet or exceed 80 percent of the school's API 22 growth target as established pursuant to Section 52052 or increase 23 by four points, whichever is greater. For purposes of this section, 24 an ethnic or socioeconomically disadvantaged a pupil subgroup of at least 100 pupils constitutes a numerically significant subgroup, 25 26 even if the subgroup does not constitute 15 percent of the total 27 enrollment at a school.

(b) All schools, including schools participating in the Immediate Intervention/Underperforming Schools Program are eligible to participate in the Governor's Performance Award Program. The manner and form in which the monetary and nonmonetary awards are given shall be established by the Superintendent of Public Instruction and approved by the State Board of Education. The monetary awards shall be made available on either a per pupil or per school basis, not to exceed one hundred fifty dollars (\$150) per pupil who received a score on the assessments described in subdivision (b) of Section 60640 and subject to funds appropriated in the annual Budget Act. A school that continues to show improvement in successive years is eligible to receive annual bonuses.

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- (c) In addition to or in substitution of monetary awards, the Superintendent of Public Instruction may establish, upon approval by the State Board of Education, nonmonetary awards that may include, but are not limited to, classification as a distinguished school, listing on a published public school honor roll, and public commendations by the Governor and the Legislature. In addition to any other criteria that are used to determine whether a school shall be classified as a distinguished school, the Superintendent of Public Instruction may consider the performance of a school on the physical performance tests administered pursuant to Section 60800.
- (d) A governing board of a school district or a county board of education with one or more schools under its jurisdiction that are eligible to receive an award from the Governor's Performance Award Program may request on behalf of those schools that the State Board of Education waive all or any part of any provision of this code, or any regulation adopted by the State Board of Education, controlling any of the programs listed in clause (i) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 54761 and Section 64000. The board may grant the request if the waiver does not result in a decrease in the instructional time otherwise required by law or regulation or an increase in state costs and is determined to be consistent with subdivision (a) of Section 46300. The waiver shall be granted for no more than three consecutive fiscal years. A governing board of a school district or a county board of education may request a renewal for schools under their jurisdiction that still meet the eligibility criteria.
- (e) The waiver granted pursuant to subdivision (d) of Section 52057 may also provide the governing board of a school district or a county board of education with maximum flexibility, on the part of eligible schools within the districts, in the expenditure of any new or existing categorical funds not otherwise prohibited under state or federal law to enable the school to continue improvement in pupil performance.

amended to read:

35160.5. (a) The governing board of each school district that maintains one or more schools containing any of grades 7 to 12, inclusive, shall, as a condition for the receipt of an inflation adjustment pursuant to Section 42238.1, establish a school district policy regarding participation in extracurricular and cocurricular

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 activities by pupils in grades 7 to 12, inclusive. The criteria, which shall be applied to extracurricular and cocurricular activities, shall ensure that pupil participation is conditioned upon satisfactory educational progress in the previous grading period.

- (1) For purposes of this subdivision, "extracurricular activity" means a program that has all of the following characteristics:
- (A) The program is supervised or financed by the school district.
- (B) Pupils participating in the program represent the school district.
- (C) Pupils exercise some degree of freedom in either the selection, planning, or control of the program.
- (D) The program includes both preparation for performance and performance before an audience or spectators.
- (2) For purposes of this subdivision, an "extracurricular activity" is not part of the regular school curriculum, is not graded, does not offer credit, and does not take place during classroom time.
- (3) For purposes of this subdivision, a "cocurricular activity" is defined as a program that may be associated with the curriculum in a regular classroom.
- (4) Any teacher graded or required program or activity for a course that satisfies the entrance requirements for admission to the California State University or the University of California is not an extracurricular or cocurricular activity as defined by this section.
- (5) For purposes of this subdivision, "satisfactory educational progress" shall include, but not be limited to, the following:
- (A) Maintenance of minimum passing grades, which is defined as at least a 2.0 grade point average in all enrolled courses on a 4.0 scale.
- (B) Maintenance of minimum progress toward meeting the high school graduation requirements prescribed by the governing board
- (6) For purposes of this subdivision, "previous grading period" does not include any grading period in which the pupil was not in attendance for all, or a majority of, the grading period due to absences excused by the school for reasons including, but not limited to, serious illness or injury, approved travel, or work. In that event, "previous grading period" is deemed to mean the

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grading period immediately prior to the grading period or periods excluded pursuant to this paragraph.

- (7) A program that has, as its primary goal, the improvement of academic or educational achievements of pupils is not an extracurricular or cocurricular activity as defined by this section.
- (8) The governing board of each school district may adopt, as part of its policy established pursuant to this subdivision, provisions that would allow a pupil who does not achieve satisfactory educational progress, as defined in paragraph (4), in the previous grading period to remain eligible to participate in extracurricular and cocurricular activities during a probationary period. The probationary period may not exceed one semester in length, but may be for a shorter period of time, as determined by the governing board of the school district. A pupil who does not achieve satisfactory educational progress, as defined in paragraph (4), during the probationary period may not be allowed to participate in extracurricular and cocurricular activities in the subsequent grading period.
- (9) This subdivision does not preclude the governing board of a school district from imposing a more stringent academic standard than that imposed by this subdivision. If the governing board of a school district imposes a more stringent academic standard, the governing board shall establish the criteria for participation in extracurricular and cocurricular activities at a meeting open to the public pursuant to Section 35145.

The governing board of each school district shall annually review the school district policies adopted pursuant to the requirements of this section.

- (b) (1) On or before July 1, 1994, the governing board of each school district shall, as a condition for the receipt of school apportionments from the State School Fund, adopt rules and regulations establishing a policy of open enrollment within the district for residents of the district. This requirement does not apply to a school district that has only one school or a school district with schools that do not serve any of the same grade levels.
 - (2) The policy shall include all of the following elements:
- (A) It shall provide that the parent or guardian of each schoolage child who is a resident in the district may select the schools the child shall attend, irrespective of the particular location of his or her residence within the district, except that school

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districts shall retain the authority to maintain appropriate racial and ethnic balances among their respective schools at the school districts' discretion or as specified in applicable court-ordered or voluntary desegregation plans.

- (B) It shall include a selection policy for a school that receives requests for admission in excess of the capacity of the school that ensures that selection of pupils to enroll in the school is made through a random, unbiased process that prohibits an evaluation of whether a pupil should be enrolled based upon his or her academic or athletic performance. For purposes of this subdivision, the governing board of the school district shall determine the capacity of the schools in its district. However, school districts may employ existing entrance criteria for specialized schools or programs if the criteria are uniformly applied to all applicants. This subdivision does not prohibit school districts from using academic performance to determine eligibility for, or placement in, programs for gifted and talented pupils established pursuant to Chapter 8 (commencing with Section 52200) of Part 28.
- (C) It shall provide that no pupil who currently resides in the attendance area of a school shall be displaced by pupils transferring from outside the attendance area.
- (3) Notwithstanding the requirement of subparagraph (B) of paragraph (2) that the policy include a selection policy for a school that receives requests for admission in excess of the capacity of the school that ensures that the selection is made through a random, unbiased process, the policy may include any of the following elements:
- (A) It may provide that special circumstances exist that might be harmful or dangerous to a particular pupil in the current attendance area of the pupil, including, but not limited to, threats of bodily harm or threats to the emotional stability of the pupil, that serve as a basis for granting a priority of attendance outside the current attendance area of the pupil. A finding of harmful or dangerous special circumstances shall be based upon either of the following:
- (i) A written statement from a representative of the appropriate state or local agency, including, but not limited to, a law enforcement official or a social worker, or properly licensed or registered professionals, including, but not limited to, psychiatrists, psychologists, or marriage and family therapists.

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(ii) A court order, including a temporary restraining order and injunction, issued by a judge.

A finding of harmful or dangerous special circumstances pursuant to this subparagraph may be used by a school district to approve transfers within the district to schools that have been deemed by the school district to be at capacity and otherwise closed to transfers that are not based on harmful or dangerous special circumstances.

- (B) It may provide that a pupil attending a school prior to July 1, 1994, may be considered a current resident of that school for purposes of this section until the pupil is promoted or graduates from that school.
- (C) It may provide that no pupil who was on a waiting list for a school or specialized program, on or before July 1, 1994, pursuant to a then-existing district policy on transfers within the district, shall be displaced by pupils transferring after July 1, 1994, from outside the attendance area, as long as the continued maintenance on a waiting list remains consistent with the former policy.
- (D) It may provide that schools receiving requests for admission shall give priority for attendance to siblings of pupils already in attendance in that school and to pupils whose parent or legal guardian is assigned to that school as his or her primary place of employment.
- (E) It may include a process by which the school district informs parents or guardians that certain schools or grade levels within a school are currently, or are likely to be, at capacity and, therefore, those schools or grade levels are unable to accommodate any new pupils under the open enrollment policy.
- (4) Notwithstanding the requirement of subparagraph (B) of paragraph (2) that a school that receives requests for admission in excess of the capacity of the school to use a selection policy that ensures that the selection is made through a random, unbiased process, priority shall be given to the lowest achieving children from low income families, attending a school identified for school improvement pursuant to subsection (b) of Section 6316 of Title 20 of the United States Code.
- (5) It is the intent of the Legislature that, upon the request of the pupil's parent or guardian and demonstration of financial need, each school district provide transportation assistance to the pupil

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to the extent that the district otherwise provides transportation assistance to pupils.

- SEC. 2. Section 49558 of the Education Code is amended to read:
- 49558. (a) All applications and records concerning any individual made or kept by a public officer or agency in connection with the administration of any provision of this code relating to free or reduced price meal eligibility is confidential, and may not be open to examination for any purpose not directly connected with the administration of a free or reduced price meal program, or any investigation, prosecution, or criminal or civil proceeding conducted in connection with the administration of a free or reduced price meal program.
- (b) Notwithstanding subdivision (a), a public officer or agency may permit the use by school district employees, who are authorized by the governing board of the school district, of individual records pertaining to pupil participation in a free or reduced price meal program solely for the purpose of disaggregation of academic achievement data if the public agency ensures the following:
- (1) The public agency has adopted a policy that allows for the use of individual records for these purposes.
- (2) No individual indicators of participation in a free or reduced price meal program are maintained in the permanent record of a pupil if not otherwise allowed by law.
- (3) No public release of information regarding individual pupil participation in a free or reduced price meal program is permitted.
- (4) All other confidentiality provisions required by law are
- (e) Notwithstanding subdivision (a), the school districts and county superintendents of schools may release information on the School Lunch Program application only to the local agency that determines eligibility under the Medi-Cal program, if the child is approved for free meals and if the applicant consents to the sharing of information pursuant to Section 49557.2.
- (d) Notwithstanding subdivision (a), a public officer or agency may permit the use of individual records pertaining to pupil participation in a free or reduced price meal program for the purpose of identifying schools with a concentration of pupils who

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are eligible to participate in a state or federal education program 2 that is based on family wealth or income.

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SEC. 3. Notwithstanding Section 17610 of the Government 4 Code, if the Commission on State Mandates determines that this 5 act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant 6 to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), 10 reimbursement shall be made from the State Mandates Claims Fund.